


CHAPTER 1

An Overview of the Social Security Administration's Disability Programs



This chapter provides a broad overview of Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI), the two major Federal programs that provide cash benefits based on disability. It also briefly outlines the health insurance options aligned with each program. Many people who are homeless qualify for SSI; some may qualify for SSDI instead of, or in addition to, SSI. 

What are SSDI and SSI?

Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) are the two Federal disability programs administered by the Social Security Administration (SSA).

SSDI provides benefits to disabled or blind individuals who are “insured” based on contributions paid into the Social Security trust fund, as authorized by the Federal Insurance Contributions Act (FICA). To qualify for SSDI benefits, an individual must have worked long enough and recently enough under Social Security to receive benefits. A person also may qualify as an SSDI beneficiary through parents or a spouse. Disabled widows/widowers age 50 or over may qualify for benefits on a spouse’s earnings. In addition, an adult found to have become disabled before age 22 may qualify for benefits if his or her

qualifying parent is deceased, disabled, or receiving SSA retirement benefits. An alien who obtained a Social Security number on or after January 1, 2004, must meet additional requirements to meet eligibility for SSDI. Since the SSDI benefit amount depends on the average earnings of the wage earner, the benefit amount will be different for each beneficiary.

In contrast, SSI provides benefits to low income people who are disabled, blind, or elderly. To qualify for SSI, an applicant must meet strict income and resource guidelines to establish that he or she has low or no income and minimal resources, and criteria establishing that he or she is aged (age 65 and older), blind, or disabled, as defined by SSA. People can be eligible for both SSI and SSDI if their SSDI benefit is lower than the full SSI Federal Benefit Rate (FBR).

In some states the SSI benefit is supplemented by money from the state.

These funds provide disabled individuals with more money to meet their shelter, food, and health care needs. The size of the supplement varies from state to state.

Eligibility criteria for supplements differ by state.¹



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How does SSA define disability?

For both SSI and SSDI, disability is based on an inability to work at the level of substantial gainful activity (SGA). SGA is work that involves significant mental and physical activity completed for pay or profit. An individual will be considered disabled by SSA only if he or she cannot do work that was done before and if SSA decides that the individual cannot adjust to other work due to his or her medical condition(s). An individual's disability also must have lasted or be expected to last for at least a year or to result in death.

SSA has an extensive process for determining whether a person is disabled for the purpose of receiving disability benefits. This manual describes the process in detail. The goal of

this manual is to provide information to case managers that will improve their ability to help people who are homeless and who have mental illnesses apply for SSI and/or SSDI.

What is the difference between SSI and SSDI?

Both SSDI and SSI use the same definition of disability. However, there are notable differences. The amount of the monthly SSDI benefit depends on earnings while employed or self-employed, and on work history, while SSI benefits are based on a recipient's income or resources. Further, most people who are entitled to SSDI must first serve a five-month waiting period (starting with the date of onset of the disability) before they can receive benefits. However, this can be retroactive, and individuals may receive up to 12 months of benefits before the date of application. SSI payments cannot begin until the month following the date of application.

It is important to note that, before receiving any SSI payments, an individual must have applied for other benefits to which he or she might be entitled (i.e., SSDI, VA benefits, Workers' Compensation, etc.). Case managers should ensure that such applications are completed so payments by SSA are made in a timely fashion if an individual is approved.

SSA should review an individual's eligibility for SSI and SSDI whenever a person applies for either.

¹ A list of states that provide supplementary SSI payments can be viewed at www.socialsecurity.gov/notices/supplemental-security-income/text-benefits-ussi.htm. These payments are administered by the state, by the Social Security Administration, or by both.

Figure 1. **Comparison between SSI and SSDI for Persons who are Disabled**

SSI	SSDI
Must meet the definition of “disabled or blind”	Must meet the definition of “disabled or blind”
Not based on any requirement of insured status	Based on insured status of individual or another qualified person
Income and resource limits	No income or resource limits
Monthly benefit amount (Federal Benefit Rate (FBR) and State supplement, if any)	Benefit amount based on contributions during work history
No work history requirement	Work history generally required
Living arrangements may affect eligibility and benefit amount	Living arrangements have no effect on eligibility or benefit amount
Automatic Medicaid eligibility in most states	May be eligible for Medicaid
Not eligible for Medicare, unless also entitled to SSDI	Eligible for Medicare 24 months after entitlement to SSDI benefits ²

Some of the differences between SSI and SSDI are summarized in Figure 1.

What about health insurance?

Two publicly-funded health insurance programs exist for individuals who are disabled: Medicaid and Medicare. In most states, people eligible for SSI automatically are eligible for Medicaid, a Federal-State health insurance program with fairly comprehensive benefits, including prescription drug coverage.³ While SSI and some SSDI beneficiaries are eligible for Medicaid, only

those people receiving SSDI benefits are eligible for Medicare. Most SSDI beneficiaries qualify for Medicare 24 months after becoming eligible for benefits. A beneficiary receiving both SSI and SSDI may be covered by both Medicaid and Medicare.

Medicare routinely covers physician visits and hospital services, and it requires copayments, deductibles, and monthly premiums for outpatient services. Recent amendments to the Medicare statute have allowed recipients access to partial prescription drug coverage through a variety of third-party providers.

² Since July 2001, people with Amyotrophic Lateral Sclerosis (ALS or Lou Gherig's disease) do not have to serve a 24-month waiting period. Also, beneficiaries who have end-stage renal disease and are undergoing a course of dialysis or who have had a kidney transplant may not have to wait 24 months. However, there is still a five-month waiting period for SSDI eligibility.

³ Seven states and the Northern Mariana Islands use the same rules to determine Medicaid eligibility as SSA uses for SSI, but require individuals to file a separate application. Eleven additional states not only require a separate application, but also use their own rules to determine if an individual is eligible for Medicaid. For further information, see Appendix B of this manual and/or refer to the National Association of State Medicaid Directors Web site: www.nasmd.org.

Medicaid benefits differ from state to state but are required by Federal statute to cover prescription drugs. It should be noted, though, that not all States' rules allow coverage for all drugs that may be prescribed, and some states may require copayments. In many states, Medicaid also covers the cost of the monthly Medicare premium and copayments for outpatient services. Beyond this, all states have supplemental Medicaid programs: (1) the Qualified Medicare Beneficiary (QMB), (2) Specified Low-Income Medicare Beneficiary (SLMB), and (3) Qualifying Individuals-1 (QI-1S) and Qualifying Individuals-2 (QI-2S) for eligible Medicare beneficiaries. These programs are available to those with limited income and resources who nonetheless are not SSI eligible. SLMB and QI-1S allow states to pay for the Part B Medicare premium; QMB covers deductibles, coinsurance, and the Part B premium. Case managers can find the income and resource eligibility requirements for each of these programs on the Medicare Web site: www.medicare.gov.

Unlike Medicare, no waiting period is required for Medicaid once the disability eligibility determination is completed. Some SSDI beneficiaries may qualify for Medicaid by spending a certain portion of their income on medical services or goods each month. This is referred to as a "spend down." Paying off a significant medical bill, such as a bill for inpatient hospitalization, also may qualify as a spend down.

Sometimes, the savings realized due to SSI coverage of prescription drug costs and monthly premiums can mean that an individual might be financially better off under SSI than SSDI. Even if this is the case, an individual cannot choose to be on SSI.

Applicants who qualify for SSDI must accept this benefit before receiving SSI.

What are the SSI and SSDI application processes like?

SSI and SSDI applications can be filed in person at a local Social Security field office, or by calling the SSA toll-free number (1-800-772-1213; TTY 1-800-325-0778) to schedule an appointment. In addition, some SSDI application forms can be accessed and printed online at the SSA Web site: www.socialsecurity.gov. If the applicant schedules an appointment using the toll-free number, he or she usually is given an appointment for a telephone interview. However, the applicant may request a personal appointment at a field office.

Once an application is received and SSA determines the applicant satisfies income and resource (for SSI claims), insured status (for SSDI claims), and other general eligibility requirements, the application is reviewed by the State's Disability Determination Services (DDS). This is a State agency with an agreement with SSA to make medical decisions on behalf of SSA about whether or not a person is disabled. As a State agency, the DDS in each state is located administratively within a larger State department or agency, such as the State Department of Labor or the Department of Social Services. This varies from state to state. To ensure that the eligibility determination process is completed in a timely manner, mail received from the State agency housing the disability service should be responded to with the same urgency as that received from SSA.

How are SSI and SSDI eligibility determined?

As with many other public benefit programs, an applicant must meet income, resource, and U.S. residency criteria to qualify for and continue to receive SSI. In contrast, earnings history requirements must be met to qualify for SSDI. In both cases, the individual must document a disability that precludes the ability to work. While many people who are homeless are likely to meet these criteria, case managers who understand the rules can better help people document their compliance with them. The steps are as follows:

- When someone applies for disability benefits with SSA, the claims representative will check the earnings history for potential eligibility for SSDI, and will assess the income and resource information for SSI. An individual must meet these criteria before his or her case will be evaluated for disability.
- If a person meets the initial criteria, the SSA claims representative then routes the claim to the State Disability Determination Services (DDS) to determine if the disability standard is met. The disability decision will be based on medical records and other information submitted by the applicant.
- If an applicant is found to be disabled, and the claim took more than 120 days to process, the applicant's income and resources will be examined again. The SSA representative will have to determine how much money the applicant is entitled to receive monthly and also will assess any retroactive payments. In most instances, retroactive

payments will date to the initial date of eligibility. For SSI, this most often is the first month after the date of application. For SSDI, the date of eligibility most often is set after a five-month waiting period from the date of onset (the date that SSA determines a person's disability began) but may precede the date of application by up to a year.

How long does the disability determination process take?

The length of time that it takes to process a Social Security Disability claim varies depending upon:

- The nature of the disability;
- The speed with which medical evidence can be obtained for an individual applicant; and
- Whether it is necessary to send the applicant for additional medical examinations.

In 2002, the average processing time for an initial SSI application was 104 days, or about three-and-a-half months. This is a national average. The actual time it takes to process an individual claim may vary.

It is important for case managers to understand that if an application is denied, a request for reconsideration will add additional time; an appeal before an Administrative Law Judge (ALJ) will add even more time before a final decision is rendered. By understanding the disability determination process and assisting

applicants with filing complete applications, case managers may help clients avoid the need for appeals. This manual is designed to help case managers avoid unnecessary delays and to improve their ability to assist applicants with filing successful disability applications.

What happens after the determination is made?

After a determination is made, several outcomes are possible. Most often, the person either will be found to be disabled and begin to receive benefits, or he or she will be found not to be disabled. In some instances, a person might even receive a partially favorable allowance. After an applicant receives a favorable decision, SSA will determine if he or she continues to meet the requirements for eligibility and will calculate the correct benefit amount due. Further information on determinations is offered in Chapter 8.

If DDS issues a denial, the applicant has 60 days from the date of the denial notice to file an appeal, called a reconsideration.⁴ A DDS staff person, other than the one who made the initial decision, will make the reconsideration determination. If, after reconsideration, it is determined that an applicant is disabled, SSA will pay benefits. If the applicant again is found not to be disabled, he or she has another 60 days to file another appeal, in the form of a hearing

before an ALJ. Case managers should help the applicant understand that the appeals process adds additional processing time. The appeals processes are covered in Chapter 7.

Summary

SSA has two income support programs to assist persons who are disabled and cannot work at the level of substantial gainful activity—the SSI and SSDI programs. While people who apply for disability assistance will be evaluated for their eligibility for both programs, generally people who are homeless are more likely to qualify for the SSI program. Although the cash payments for SSI typically are lower than for SSDI, in most states persons who qualify for SSI also will be enrolled in Medicaid. This can be a significant benefit, especially for persons with serious mental illnesses.

⁴ At the time of this printing, SSA is conducting a study in 10 states, known as Disability Prototype States, in which, rather than a reconsideration as the first step of appeal, the individual can go directly to a request for a hearing before an ALJ. In these states, there is a separate set of procedures that the DDS uses before recommending an unfavorable disability determination.